

### Remarks/Arguments

Reconsideration of this application is requested. Claims 1, 2, 3, 5 and 6 have been rejected by the Examiner under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent 5,365,586 granted to Indeck et al. and further in view of U. S. Patent No. 5,940,504 granted to Griswold.

Indeck discloses the following in the abstract:

"A method and apparatus is disclosed for determining the remanent noise in a magnetic medium by DC saturation of a region thereof and measurement of the remaining DC magnetization. A conventional magnetic recording transducer may be used to determine the remanent noise. Upon determination, the remanent noise may then be digitized and recorded on the same magnetic medium to thereby "fingerprint" the magnetic medium. This "fingerprint" may then be later used to verify and authenticate the magnetic medium as being an original. In such manner, any magnetic medium, or any object having an associated magnetic medium, may be "fingerprinted" including credit cards, computer programs, compact discs, videotapes, cassette tapes, etc."

Indeck discloses the following in lines 23-28 of column 6, which the Examiner is of the opinion discloses step (a) of claim 1:

"As shown in **FIG. 3**, the magnetic "fingerprint" at a specified region **40** of a thin film magnetic medium or tape **42**, shown representationally in **FIG. 3** as a thin film tape, may be recorded at a second position **44** on said thin film magnetic medium or tape **42** in a digitized, machine readable bar code **46** or the like."

Indeck discloses the following in lines 30-40 of column 4, which the Examiner is of the opinion discloses step (b) of claim 1:

"This remanent noise, which is an analog signal, may then be digitized and recorded, in the medium itself or elsewhere, in machine readable format using a trap door function. Thusly, the magnetic medium has become "labeled" with its fingerprint.

Verification or authentication of that magnetic medium is simply achieved by reversing this process except that the digitally recorded fingerprint must be decrypted using the publicly known key. Should the measured remnant noise match the remanent noise as recorded, the magnetic medium is authenticated."

Indeck discloses the following in lines 35-41 of column 2, which the Examiner is of the opinion discloses step (c) of claim 1:

"The light intensity function determined by the unique random pattern of paper fibers along the line then forms the fingerprint of the particular piece of paper. This fingerprint is then digitized and encrypted by the secret encryption function. The encrypted fingerprint is then separately printed onto the paper in digital form such as a bar code."

Indeck discloses the following in lines 5-14 of column 3, which the Examiner is of the opinion discloses step (d) of claim 1:

"The density variations are randomly created as the magnetic medium is applied, which affords a unique document as these density variations are fixed and repeatable to identify the document. A second magnetic stripe is also applied to the document, but this magnetic stripe is comprised of a medium that is tightly specified and highly controlled in accordance with well known standards in the recording art to be part of a magnetic read/write system."

Indeck relates to a method and apparatus for fingerprinting magnetic media. The fingerprinting is accomplished by determining the remanent noise in a magnetic medium by DC saturation of a region thereof and measurement of the remaining DC magnetization. Indeed, Indeck is directed to generating a fingerprint at a specific region of a thick film magnetic medium or tape.

Griswold discloses the following in his abstract:

"A license management system and method for recording the use of a licensed product, and for controlling its use in accordance with the terms of the license. A licensed product invokes a license check monitor at regular time intervals. The

monitor generates request datagrams which identify the licensee and the product and sends the request datagrams over a communications facility to a license control system. The license control system maintains a record of the received datagrams, and compares the received datagrams to data stored in its licensee database. Consequently, the license control system transmits reply datagrams with either a denial or an approval message to the monitor. The monitor terminates further use of the product if it receives a denial message. The monitor generates its own denial message if its request datagrams are unanswered after a predetermined interval of time. The datagrams are counted at the control system to provide billing information."

Griswold discloses the following in lines 19-37 of column 5:

"As shown in **FIG. 1**, a licensed product **1** is located at a licensee's site. Product **1** may include a data portion **1B** and a functional portion **1A** such as computer software product or any other kind of information product used to control use of data portion **1B**. If data portion **1B** is CD-ROM database information, functional portion **1A** should enable the licensee to search indexes and display text. If data portion **1B** is video information, functional portion **1A** should control the display of the video information. For audio information, functional portion **1A** should play the audio information. If data portion **1B** is an electronic book, functional portion **1A** should display and turn pages. The above examples show some of the ways functional portion **1A** can control data portion **1B**; however, they are hardly exhaustive.

By including in product **1** both information and software which controls the information, product **1** is an executable product. Non-software information in product **1** is preferably encrypted so that it cannot be easily extracted from the product."

Griswold discloses a license management system and method which can ensure that a licensed product is used only on machines under which it is licensed.

Neither Indeck nor Griswold, taken separately or together, discloses or anticipates a method for verifying the source of an article of manufacture and for controlling the production of the article of manufacture by a licensee that includes steps

a, b and d of claim 1, namely, a) controlling a supply of labels from a licensor to the licensee to monitor the production of the article of manufacture; b) preparing a label by the licensee, the label having an unreproducible pattern and information relating to the article; and d) encrypting at least a portion of the information by the licensor relating to the article.

In view of the above, claims 1-3 and 5-7 are patentable. If the Examiner has any questions, would he please phone the undersigned at the telephone number noted below.

Respectfully submitted,

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